

NSP SUPPORTIVE HOUSING TOOLKIT

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Things to Consider

- How can NSP properties be used as another housing option in your county's continuum of care?
- Can NSP properties be used to help nonprofit service providers in your area meet new Hearth Act requirements for housing placement?
- What agencies/organizations have financing available for acquisition, rehabilitation, long term operating support or services that could be leveraged with NSP dollars?

Types of Housing Being Utilized as Supportive Housing

Around the country, NSP grantees are utilizing a range of housing types as supportive housing for vulnerable populations.

- **Single Family Homes**
- **2-4 Unit Properties**
- **Multifamily NSP Supportive Housing**

Single Family Homes

- Single family properties are an ideal fit for homeless families
- A sense of private space may inspire a greater sense of choice and pride among the tenants
- Good disposition strategy in housing markets where only a limited demand for home ownership exists.

North County Solutions for Change

operates Solutions University, a sustainable, replicable model that provides permanent solutions to homeless families

San Diego, California



NSP Properties:	9 single family homes and 1 duplex
Population:	Formerly homeless families who are graduates of Solutions University's transitional housing program
Other Funding:	Fundraising from local companies and community members for operating expenses, plan to apply for Shelter Plus Care rental subsidy
Rents:	Tenants will pay 30% of income Rents will be set at 30-50% of area median income
Operating Expenses:	Approximately \$500-\$700 per month. Rents cover about 70% of operating costs, the rest is covered by foundation grants and private fundraising
Property Management:	Solutions for Change provides in-house property management for all their properties
Services:	Case managers visit families in their homes. The families also continue to participate in programs at Solutions University.

www.solutionsforchange.org

Hispanic Housing Development

creates new housing, employment, and business opportunities that help communities flourish

Chicago, Illinois



NSP Properties: 15 single family homes and “two flats”

Population: Homeless families

Other Funding: Tenants get help with rent & utilities from Casa Norte, a local service provider

Rents: Tenants will pay 30% of income.
Rents will be set at 30-50% of area median income

Operating
Expenses: Approximately \$500 per month

Property
Management: Hispanic Housing Development provides in-house property management for all their properties

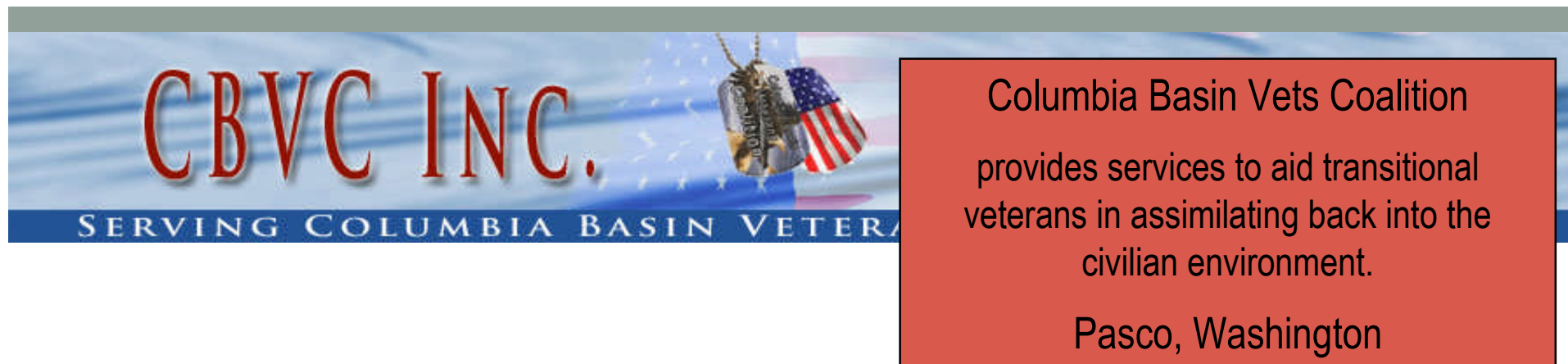
Services: They are partnering with Casa Norte and several other local service providers to provide off-site services

<http://www.hispanichousingdevelopment.com>

Single Family Homes

Shared housing, in which unrelated adults share a household, is another option for NSP single family properties. This housing model works well for many populations.

- **Homeless veterans**
- **Emancipated foster youth**
- **Adults with developmental disabilities.**



Columbia Basin Vets Coalition
provides services to aid transitional
veterans in assimilating back into the
civilian environment.

Pasco, Washington

NSP Properties:	1 single family home (5 bedrooms with 7 tenants)
Population:	Homeless Veterans (shared housing)
Other Funding:	Benton County Human Services funding for rehab & first year operating, VA Per Diem Grant for on-going operating
Rents:	20% of tenant's income
Operating Expenses:	\$930 per bed/month including services staff & resident manager
Property Management:	An on-site resident manager occupies one room
Services:	This is a 2 year transitional housing program. The Case Manager will link vets to VA benefits, services & healthcare.

<http://www.veterancoalition-cb.org/>



Hallmark Community Solutions &
Housing Consortium of the East Bay
Alameda County, California

NSP Properties:	4 single family homes (3-4 bdrms)
Population:	Mentally ill adults at risk of homelessness (shared housing)
Other Funding:	Mental Health Services Act (MHSA) for rehab and operating costs
Rents:	Tenants on SSI will pay approximately \$250/mo.
Operating Expenses:	\$700 per bedroom per month (including services)
Property Management:	Housing Consortium of the East Bay will provide property management. They have over 60 units for the developmentally disabled in their portfolio
Services:	Services will be provided by BACHS, a local mental health service provider. A Resident Service Coordinator will serve the clients in all four homes to link residents with mental health and other services.

<http://www.hceb.org>

www.hallmarksolutions.org

2-4 Unit Properties

- Typically less attractive to homebuyers and most often used as rental/income properties, so continuing to utilize them as rentals is the best disposition strategy.
- They offer the option of private units for individuals in a congregate setting, or can be rented to small families or shared by unrelated adults.



NSP Properties: 1 fourplex

Population: Developmentally disabled adults (shared housing)

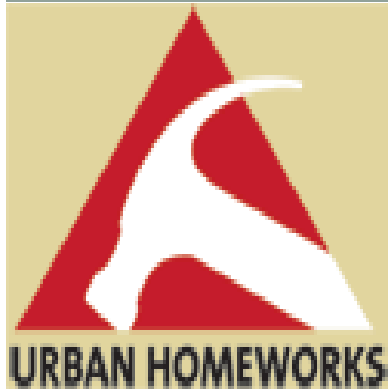
Other Funding: None

Rents: 30% of tenant income

Operating Expenses:
Property Management: In house property management for a portfolio of ____ units

Services: The local Regional Center is the service provider. Each client has a service plan and the regional center contracts with various agencies & vendors to provide services. In addition, a Resident Services Coordinator, included in the operating budget, who will act as a liason between CHRI, the Regional Center, and property management staff.

<http://www.chrioc.org>



Urban Homeworks

a faith-based housing organization that has rehabilitated and constructed scattered, small, multi-unit and single-family housing in the Twin Cities since 1995.

Minneapolis, Minnesota



NSP Properties:	30 units in 2/4/6-plexes
Population:	Low to very low income – mostly families, some homeless and mentally ill (20-50%AMI)
Other Funding:	State & County loans & grants, private foundation grants, private investor loan pool, some tenants have Section 8 vouchers (approx 33%)
Rents:	\$515 - \$715 per month, depending on unit size
Operating expenses:	Approximately \$525 per unit per month
Property Management:	In-house property management is key to their housing model. They have committed staff who create relationships with tenants.
Services:	Urban Homeworks networks with social service agencies for services. One staff person spends part of their time linking tenants to social services in the community.

<http://urbanhomeworks.com>

Advantages to utilizing scattered site single family homes and 2 to 4 unit properties for special needs populations:

- Deconcentration:** NSP properties are often located in suburbs, away from city centers where many affordable and supportive housing projects tend to be located, allowing these neighborhoods to supply their “fair share” of housing for the homeless, and disperse housing and services outside of inner cities.
- Less opposition:** A few single family homes scattered throughout a neighborhood can draw less opposition than a 50 unit apartment building for formerly homeless people. Often a formal public approval process is not required for so few units, and tenants are able to blend into the neighborhood, just as any other family or individuals renting a house. As one NSP housing provider in Vancouver, Washington put it, *“no one wants 50 addicts in recovery living next to them, but one family in a single family home goes virtually unnoticed.”*
- Good scale for nonprofit service providers:** Many of the nonprofits utilizing single family homes acquired with NSP funds are smaller organizations whose focus is on services, not housing development. They may lack the experience required to develop a large multifamily supportive housing project, but can manage scattered site homes in the communities they serve very well.

Resources for NSP Single Family Rental

For more resources for incorporating single family (1-4 unit) rental housing to satisfy the NSP 25% Low Income Requirement, review **HUD's Single Family Rental Toolkit**

<http://hudnsphelp.info/index.cfm?do=viewToolkitsHome&programtypeid=4>)

Multifamily NSP Supportive Housing

- Way to spend down NSP funds faster (takes just as much work to acquire a 4 unit property as a 40 unit property)
- Blighted properties acquired with NSP funds are being demolished to make way for new multifamily construction
- Mixed population projects: a portion of the units can be dedicated to supportive housing for special needs tenants.
- Other affordable/supportive housing funds can be leveraged including HOME, CDBG, redevelopment funds, tax credits, and Section 8 rental subsidies.



New Moms, Inc.

seeks to enable, empower, and equip at-risk adolescent parents and their children through services and mentoring based on Christian values.

Chicago, Illinois



NSP Properties:	Demolition of foreclosed property & new construction of 40 units; LEED Silver certified
Population:	Homeless pregnant & parenting women ages 18-24
Other Funding:	HOME, CDBG, State tax credits, Project-based Section 8, private fundraising, land donated
Rents:	Tenants will pay 30% of income
Operating Expenses:	\$546 per unit per month
Property Management:	Contract with third party property management company
Services:	The building will have a licensed daycare center on the ground floor. Case management, parent support groups and life skills classes provided on-site in ground floor office space. The project will also have a green social enterprise/transitional jobs component.

<http://www.newmomsinc.org/>



Affordable Housing Associates

&

East Bay Community Recovery Project

Oakland, California



NSP Properties:	20 unit SRO (Rehabilitation)
Population:	Very low income pregnant & parenting women with substance abuse issues & mental illness
Other Funding:	Local redevelopment funds, AHP, EHAP & State Perinatal Program Funds
Rents:	\$165 per month
Operating Expenses:	\$533 per month
Property Management:	Affordable Housing Associates will do property management (in house)
Services:	EBRP will provide services. They have an office across the street and there is common space for meetings in the building.

Resources for NSP Multifamily Rental

For more resources for incorporating multifamily rental housing to satisfy the NSP 25% Low Income Requirement, review **HUD's Multifamily Rental Toolkit**

<http://hudnsphelp.info/index.cfm?do=viewToolkitsHome&programtypeid=3>)

Things to Consider

- ✓ What types of foreclosed properties are located in areas with low demand for homeownership?
- ✓ What is the best use of foreclosed single family and small multi-family properties in my community? Are there nonprofits that are already using scattered site properties for the clients they serve?
- ✓ How will neighbors react to low-income neighbors with special needs?
- ✓ Where are the properties located in relation to the services & agencies they will need to utilize to remain housed?

Financing for Single and Multifamily NSP Supportive Housing

Single Family and 2-4 Unit Properties

- Capital
 - NSP
- Operating & Services
 - In order to serve vulnerable populations, long term sources of operating and services funding are critical. Providers are utilizing:
 - ✓ Project Based Section 8
 - ✓ Shelter Plus Care
 - ✓ Supportive Housing Program
 - ✓ HOME funds
 - ✓ Transitional Housing Placement Plus (Title IV E Independent Program Funds)
 - ✓ Dept. of Veterans Affairs Per Diem Grant
 - ✓ Supportive Services for Veterans Families Grants
 - ✓ Office of Violence Against Women rent subsidy
 - ✓ Mental Health Services Act (California)



Share Vancouver

The mission of Share is to lead the hungry and homeless to self-sufficiency by providing food, shelter, housing, education & compassion

Vancouver, Washington

NSP Properties:	3 single family homes (4 & 5 bdrms)
Population:	Homeless women and veterans exiting prison (shared housing)
Other Funding:	Using HOME funds to fill the gap between what tenants pay and actual rent
Rents:	Tenants pay 30% of income. Rent is \$300 per bedroom
Operating Expenses:	They anticipate \$1200 per month (4 bdrm); \$1500 per month (5 bdrm)
Property Management:	Program Directors are assigned to each house and coordinate with vendors for maintenance as needed.
Services:	Case managers meet with residents in their homes and each home has a monthly meeting. The VA provides case management for the veterans.

<http://www.sharevancouver.org>

Mercy House

provides homeless prevention, emergency services, transitional housing and permanent housing with supportive services to homeless men, women and children

Orange County, California



Assisi House

NSP Properties:	2 single family homes
Population:	Homeless mentally ill adults (shared housing)
Other Funding:	Mental Health Services Act (MHSA) for rehab and operating subsidy
Rents:	Tenants on SSI will pay approximately \$253/mo.
Operating Expenses:	\$416 per bedroom per month
Property Management:	On-site resident manager
Services:	<p>The local Dept. of Mental Health has identified a full service partner for each property who will provide all mental health services. Case managers and/or clinical staff will visit each property daily and will be available 24 hours a day.</p> <p>http://www.mercyhouse.net</p>



NSP Properties:	1 single family home, 1 duplex
Population:	Homeless adults (shared housing)
Other Funding:	None
Rents:	\$300 per person (\$250 rent, \$50 utilities)
Operating Expenses:	(Anticipated) Single Family Home – 3 bed (3-4 single women) \$963/month Duplex – (family or single mothers- shared) \$1,620/mo Includes water, sewer, garbage, electric, gas, cable, phone, estimated maintenance, property insurance, reserves, case manager salary and small management fee \$50
Property Management:	In-house property management for a portfolio of 133 units
Services:	A case manager visits tenants regularly and they hold house meetings every Friday. Each tenant has an individual plan based on his or her goals.

www.albanypartnership.org

Financing for Single and Multifamily NSP Supportive Housing

Multifamily Properties:

- Capital
 - Tax Credits
 - CDBG, HOME, EHAP
 - AHP
 - Redevelopment Funds
 - Mental Health Services Act (California)

- Operating & Services
 - Project Based Section 8
 - Shelter Plus Care
 - Supportive Housing Program
 - Perinatal Services Network Program Funds
 - Mental Health Services Act (California)

Gulf Coast Housing Partnership

established in 2006, their mission is regional renewal
through high impact real estate development

New Orleans, Louisiana



NSP Properties:	70 units of new construction
Population:	Seniors and special needs seniors
Other Funding:	4% tax credits, CDBG, project based Section 8 for all 30% AMI units
Rents:	\$50-\$715
Operating Expenses:	\$458 per month
Property Management:	They will contract with a 3 rd party property management company
Services:	They are partnering with First Evangelical Housing for on-site services. http://www.gchp.net/

Unity of Greater New Orleans
coordinates community partnerships to prevent, reduce, and
end homelessness.

New Orleans, Louisiana



NSP Properties: 150 units in two multifamily buildings,
new construction & rehab

Population: Mixed income project; 1/2 of the units are for homeless

Other Funding: 9% tax credit exchange, HOME, CDBG, Shelter Plus Care and
Supportive Housing Program

Rents: 30% of tenant income

Operating expenses:

Property
Management: Contract with third party property management co.

Services: Unity will manage the services and contract with local agencies
who will provide services on-site.

www.unitygno.org



Famicos Foundation
One of the oldest community development corporations in Cleveland with a portfolio that ranges from permanent supportive to market-rate housing.

Cleveland, Ohio



NSP Properties:	Old school building to be rehabilitated into 45 units
Population:	Seniors & disabled seniors
Other Funding:	Historic tax credits and project based section 8 for rehab
Rents:	Rent \$800 per unit. Tenants will pay 30% of income.
Operating Expenses:	\$625 per unit per month
Property Management:	Famicos will provide In-house property management, there will be an on-site resident manager
Services:	Services will be provided on-site www.famicos.org

Things To Consider:

- ✓ What is the greatest financing need among the nonprofit housing providers in your continuum of care- capital for acquisition? Rent subsidies to cover operating expenses? Funding for services?
- ✓ What agencies or philanthropic foundations in your city may have funding available for the purposes identified above?

Supportive Housing Financing Resources

For a comprehensive guide to supportive housing funding sources, review:

Capital Financing Sources

<http://www.csh.org/index.cfm?fuseaction=Page.viewPage&pageId=532&nodeID=81>

Operating Financing Sources

<http://www.csh.org/index.cfm?fuseaction=Page.viewPage&pageId=734&nodeID=81>

Design & Rehabilitation :

Things to Consider

- ✓ Adding a half-bathroom for shared housing where several unrelated adults will share a home
- ✓ Adding a small office area (the size of a large walk in closet) for private meetings with case managers
- ✓ Adding additional lockable personal storage space
- ✓ Adding fire sprinkler systems to satisfy specific funding source requirements (VA Per Diem Grant Program)

Design & Rehabilitation :

Things to Consider

Space & Livability

- ✓ Each tenant should have a separate lockable bedroom
- ✓ Storage areas or closets should have sufficient space to accommodate the resident's needs, including storage in the hall, bedrooms, bathrooms, kitchen, and utility areas
- ✓ The bathroom should be large enough to meet the demands of the residents. Shared housing with three or more bedrooms should contain at least two bathrooms.

Design & Rehabilitation :

Things to Consider

Finishes

- ✓ New finishes should be durable, easily cleanable and low maintenance.
- ✓ When renovating kitchens, new kitchen appliances should be self-defrosting/cleaning and energy efficient and countertops should be a durable, with easily cleanable surfaces.
- ✓ When replacing flooring, use Pergo or commercial-grade carpet, tile, cork, linoleum, or wood floors.

Design & Rehabilitation :

Things to Consider

Safety

- ✓ Adequate electrical outlets should be provided throughout the house. Install GFI outlets where required by current code.
- ✓ Provide hardwired smoke detectors with battery back-ups in all sleeping rooms and at the corridor or area giving access to each separate sleeping area.
- ✓ Provide fire extinguishers. (Check with funding sources, sprinkler systems may be required.)

Property Management Considerations for NSP Supportive Housing

Operating Costs

- While it may seem as though monthly costs for a single family home would be less than for a large multifamily apartment building, on a per unit basis, this is typically not the case.
- For scattered site supportive housing providers interviewed for this toolkit, most estimated their operating expenses at **\$415 to \$585 per month, or \$5000 to \$7000 per unit/property per year**, not including services

Property Management:

Long Term Replacement Costs

- A reserve account should be established to deposit funds from program income for future replacement needs
- Many NSP housing providers don't realize that in addition to acquisition and rehabilitation costs, **NSP funds can also be capitalized up front for replacement reserve accounts**

Property Management:

Property Management Staffing: The providers interviewed for this toolkit used a variety of staffing models, including:

- **On-site Resident Managers**
- **Off-site Staff**
- **Third Party Property Management Companies**
- **Volunteers or Tenant Employees**
- **Mobile Handyman**

Property Management Resources

- For a comprehensive overview of property management for scatter site housing, review

NSP Problem Solving Clinic Scattered Site Property Management

(need website)

Things to Consider

- ✓ What are typically rents and operating expenses in the areas where you would consider using NSP sites as affordable/supportive rental housing?
- ✓ Who in your area has experience in scattered site property management? Can they be a training or information sharing resources for the nonprofits who will acquire & operate NSP properties?
- ✓ Is it possible to cluster properties that will be used as supportive rental housing, without over-concentrating, to make property management easier?
- ✓ Can you organize a forum or opportunity for nonprofit housing providers to share best practices property management?

Service Models for NSP Supportive Housing

Typical service model consists of a mixture of **home visits** and **linkages to off-site services**.

- Home visits are essential to keeping residents stabilized and assessing on-going needs
- Typically case management ratio is 15 clients per case manager, but depends upon the distance
- Employment counseling, computer classes, AA meetings, money management and life skills classes are offered via linkages to other providers
- Mental healthcare, medical and dental care typically provided at outpatient clinics located throughout the community

Financing for Services

- **Rental income**
- **Government programs**
- **Grants from foundations**

Resources for Services Financing

For a comprehensive guide to financing sources for services in supportive housing, review

<http://www.csh.org/index.cfm?fuseaction=Page.viewPage&pageId=533&nodeID=81>

Things to Consider

- ✓ What are the service needs of the individuals and/or families who will occupy NSP rental housing?
- ✓ Who in your community provides these services?
- ✓ How can different “pots of money” for services be aligned to fund services in NSP rental housing in your community?

Additional Resources

For a more thorough discussion of effective disposition strategies, review:

“The Challenge of Foreclosed Properties”

<http://erd.vinq.com/cache/documents/672/67247.pdf>

For more thorough discussion of using NSP to create supportive housing, review:

CSH: Creating PSH with NSP Funds

www.csh.org